090003364

REVISED 08/31/2009

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

### VIR GINIA:

#### BEFORE THE GAS AND OIL BOARD

**APPLICANTS:** 

CNX Gas Company LLC on behalf of Hurt McGuire Land Trust and six members of the Thomas Stilwell Heirs plus four members of the Linkous Horn Heirs. DOCKET NO.

98-0325-0681-03

**RELIEF SOUGHT:** 

Issuance:

A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling S-35,

a portion of Tracts 2 and 3

(Referenced herein as "the Subject Drilling Unit")

Location:

Buchanan County, Virginia

#### **Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit <u>S-35</u> by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling

### REPORT OF THE BOARD

#### FINDINGS AND ORDER

- 1. Hearing Date and Place: This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on April 21, 2009 at the Russell County Government Center Conference Center, 129 Highland Drive, Lebanon VA.
- 2. <u>Appearances</u>: , Mark A. Swartz, Esq. SWARTS Law Offices PLLC appeared for the Unit Operator; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract sub accounts. The Board finds that: (1) while it does not have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it does not have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, the Board does have jurisdiction and authority to disburse funds from the Escrow Account provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein.

### 4. **Prior Proceedings**:

- 4.1. (a) On March 24, 1998 the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on December 7, 1998, Instrument Number 980003256. The Board executed its Supplemental Order Regarding Elections that was filed with the Clerk on May 12, 1999, Instrument Number 990001278.
  - 4.1.1 The Board executed it Supplemental Order -01 regarding a Elections of Unit S-35 and Modification of the Pooling Order filed with the clerk on April 2, 2005 Instrument 040001006 and making additions and corrections from the unit operator. Additionally, a -01 Supplemental order was filed with the Clerk on September 6, 2006, Instrument Number 060003156.
  - 4.1.2 The Board executed it Supplemental Order -02 on May 16, 2006 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on on September 26, 2006, Instrument Number 060003146. (Hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.3 BECAUSE OF AN OVERPAYMENT TO Authur M. Stilwell from Unit T-36 VGOB -98-0324-0625-05 in 2007, a portion of the T-36 overpayment will be recovered and a transfer of funds will occur from this Unit and disbursement to Unit T-36.
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, the coal estate ownership interests of Hurt McGuire Land Trust; and the gas ownership interests of certain of the Thomas Stilwell heirship in tract 2 and Linkous Horn Heirs in Tract 3 in the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding a portion of tract 2 and tract 3 a copy of which is attached to and made a part hereof, states under oath that Hurt McGuire Land Trust and the Applicants have entered into an agreement with regards to a portion of Tracts 2 and 3 and that by the terms of the agreements, Hurt McGuire Land Trust has entered into a split agreement regarding these tracts and escrow regarding these individual conflicting claims detailed herein, is no longer required for these parties.
- 4.4 The Unit Operator gave notice to Hurt McGuire Land Trust and the applicants that the Board would consider its disbursement authorization at its hearing on April 21, 2009 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to a portion of tracts 2 and 3 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 2 and 3 the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties under this order subject to continued payments in the escrow under Tract 2.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

#### 5. Findings:

### 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

- 5.2 Applicant has certified and represented to the Board that:
  - (1) Hurt McGuire Land Trust and certain individuals of the Thomas Stilwell heirship property in Tract 2; Hurt McGuire Land Trust and certain individuals of the Linkous Horn Heirship in Tract 3, are the owners of the coal and gas acreage estate underlying a portion of VGOB Tract 2 and VGOB Tract 3 of the Subject Drilling Unit;
  - (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

|                                       | VGOB Approved Disbursement   |                  |                        |                 |  |                |
|---------------------------------------|--|------------------|------------------------|-----------------|--|----------------|
|                                       | VGOB-98-0915-0681-03   | Frac             | Acreage                | Split           | Escrowed   | % of           |
|                                       | S-35   | Interest         | Interest               | Agreement       | Acres  | Escrowed Funds |
|                                       |  |                  | Disbursed              |                 | Total  |                |
|                                       | Table 1  |                  |                        |                 |  |                |
| <u> </u>                              |  |                  |                        |                 |  |                |
| Tract                                 | Disbursement Table   |                  |                        |                 |  |                |
|                                       | Totals   |                  |                        |                 | 3.0028   |                |
|                                       | incurrence de la companya de la comp<br>1 CGuire Land Trust | 6.67             | 1,2969                 | 50.0%           | 0,648  | 21,5957%       |
|                                       | Hurt McGuire Land Trust C/o Charles Green / PO Box 1067 / Bluefield, VA 24605  | 0.07             | 1.2909                 | 30.076          | 0.048  | 21,393776      |
|                                       |  | ronsement (esti) | lusishes all privinces | 5988 BAH BANA   | e a compression de la compression della compress |                |
|                                       | as Stilwell Heirs - Oil & Gas  | 6.67             |                        |                 |  |                |
|                                       | TRANSFER AMOUNT TO ESCROW UNIT T-36 VGOB 98-0324-0625 AS RECOVERY FOR OVERPAYMENT IN 2007 TO: Author M. Stilwell / PO Box 314 /        |                  |                        |                 |  |                |
| 2                                     | Raven, VA 24639  | 1/8              | 0.8338                 | 50.0%           | 0.417  | 13.8830%       |
| 2                                     | Linda S. Shelton / PO Box 521 / Pounding Mill, VA 24637  | 1/72             | 0.0926                 | 50.0%           | 0.046  | 1.5426%        |
| 2                                     | Jerine Davis / 118 Coronado Road / North Tazewell, VA 24630  | 1/72             | 0.0926                 | 50.0%           | 0.046  | 1.5426%        |
| 2                                     | Daniel J. Osborne / 100 Third Street, SW No D77 / Mandan, ND 58554   | 1/72             | 0.0926                 | 50.0%           | 0.046  | 1.5426%        |
| 2                                     | Lois Casey / PO Box 521 / Pounding Mill, VA 24637  | 1/72             | 0.0926                 | 50.0%           | 0.046  | 1.5426%        |
| 2                                     | Quentin A. Stilwell / PO Box 154 / Rhame, ND 58651   | 1/72             | 0.0926                 | 50.0%           | 0.046  | 1.5426%        |
|                                       |  |                  |                        |                 |  |                |
| i i i i i i i i i i i i i i i i i i i |  |                  | The delication of the  |                 |  | Mi santing     |
| Hurt N                                | AcGuire Land Trust   | 1.15             | 0.1342                 | 50.0%           | 0.067  | 2.2340%        |
|                                       | Hurt McGuire Land Trust C/o Charles Green / PO Box 1067 / Bluefield, VA 24605  |                  |                        |                 |  |                |
|                                       | as Horn Heirs - Oil & Gas  | 1.15             | ine alian bandia s     | erichelingensti |  |                |
|                                       | Nellie Maynard / PO Box 296 / Raven VA 24639   | 1/180            | 0.0064                 | 50.0%           | 0.003  | 0.1064%        |
|                                       | Danny Elder / PO Box 296 / Raven VA 24639  | 1/180            | 0.0064                 | 50.0%           | 0.003  | 0.1064%        |
|                                       | Robert Elder / PO Box 65 / Raven VA 24639  | 1/180            | 0.0064                 | 50.0%           | 0.003  | 0.1064%        |
| 3                                     | Joseph P. Horne / 492 Gray Branch Road / Cedar Bluff, VA 24639   | 1/10             | 0.1150                 | 50.0%           | 0.058  | 1.9149%        |
|                                       |  |                  |                        |                 |  |                |
|                                       |  |                  | HHANDAL:               |                 | Haline III   |                |

### 6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, <u>and</u>, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

### 7. Conclusion:

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

### 8. Appeals:

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

| DONE AND EXECUTED this 14 day of 2009 by a ma | najority of the Virginia Gas and Oil Board. |
|---|---|
|---|---|

Bradley C. Lambert, Chairman

DONE AND PERFORMED this 4 day of 3, 2009 by an Order of this Board.

David E. Asbury Jr.,

Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA )
COUNTY OF RUSSELL , )

Acknowledged on this day of 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and David E. Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

My commission expires: \_09\_/\_30\_/\_2009\_

Diane J. Davis /
Notary Public #174394





Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

VIR GINIA:

### BEFORE THE GAS AND OIL BOARD

APPLICANTS:

CNX Gas Company LLC on behalf of Hurt McGuire Land Trust and six members of the Thomas Stilwell Heirs plus four members of the Linkous Horn Heirs. DOCKET NO. 98-0325-0681-03

**RELIEF SOUGHT:** 

Issuance:

A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling S-35,

a portion of Tracts 2 and 3

(Referenced herein as "the Subject Drilling Unit")

Location:

Buchanan County, Virginia

### **Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit <u>S-35</u> by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling

### REPORT OF THE BOARD FINDINGS AND ORDER

- 1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on April 21, 2009 at the Russell County Government Center Conference Center, 129 Highland Drive, Lebanon VA.
- 2. <u>Appearances</u>: , Mark A. Swartz, Esq. SWARTS Law Offices PLLC appeared for the Unit Operator; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 3. **Jurisdiction and Notice:** Pursuant to Va. Code §§ 45.1-361.1 et seq., and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract sub accounts. The Board finds that: (1) while it **does not** have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it **does not** have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, **the Board does have jurisdiction and authority to disburse funds from the Escrow Account** provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein.

#### 4. **Prior Proceedings**:

- 4.1. (a) On March 24, 1998 the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on December 7, 1998, Instrument Number 980003256. The Board executed its Supplemental Order Regarding Elections that was filed with the Clerk on May 12, 1999, Instrument Number 990001278.
  - 4.1.1 The Board executed it Supplemental Order -01 regarding a Elections of Unit S-35 and Modification of the Pooling Order filed with the clerk on April 2, 2005 Instrument 040001006 and making additions and corrections from the unit operator. Additionally, a -01 Supplemental order was filed with the Clerk on September 6, 2006, Instrument Number 060003156.
  - 4.1.2 The Board executed it Supplemental Order -02 on May 16, 2006 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on on September 26, 2006, Instrument Number 060003146. (Hereafter all orders are collectively referred to as the "Pooling Orders").
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, the coal estate ownership interests of Hurt McGuire Land Trust; and the gas ownership interests of certain of the Thomas Stilwell heirship in tract 2 and Linkous Horn Heirs in Tract 3 in the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding a portion of tract 2 and tract 3 a copy of which is attached to and made a part hereof, states under oath that Hurt McGuire Land Trust and the Applicants have entered into an agreement with regards to a portion of Tracts 2 and 3 and that by the terms of the agreements, Hurt McGuire Land Trust has entered into a split agreement regarding these tracts and escrow regarding these individual conflicting claims detailed herein, is no longer required for these parties.
- 4.4 The Unit Operator gave notice to Hurt McGuire Land Trust and the applicants that the Board would consider its disbursement authorization at its hearing on April 21, 2009 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to a portion of tracts 2 and 3 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 2 and 3 the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties under this order subject to continued payments in the escrow under Tract 2.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

#### 5. Findings:

#### 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

5.2 Applicant has certified and represented to the Board that:

- 5.2 Applicant has certified and represented to the Board that:
  - (1) Hurt McGuire Land Trust and certain individuals of the Thomas Stilwell heirship property in Tract 2; Hurt McGuire Land Trust and certain individuals of the Linkous Horn Heirship in Tract 3, are the owners of the coal and gas acreage estate underlying a portion of VGOB Tract 2 and VGOB Tract 3 of the Subject Drilling Unit;
  - (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

|          | VGOB Approved Disbursement   |          |  |                  |                            |  |
|----------|--|----------|--|------------------|----------------------------|--|
|          | VGOB-98-0915-0681-03   | Frac     | Acreage  | Split            | Escrowed                   | % of   |
|          | S-35   | Interest | Interest<br>Disbursed  | Agreement        | Acres<br>Total             | Escrowed Funds   |
|          | Table 1  |          |  |                  |                            |  |
|          |  |          |  |                  |                            |  |
| Tract    | Disbursement Table   |          |  |                  |                            |  |
|          | Totals   |          |  |                  | 3.0028                     |  |
|          | AcGuire Land Trust   | 6.67     | 1.2969   | 50.0%            |                            | 21.5957%   |
| 2        | Hurt McGuire Land Trust C/o Charles Green / PO Box 1067 / Bluefield, VA 24605  |          |  |                  |                            | ,  |
| HUMM     | as Stilwell Heirs - Oil & Gas  |          | BELLE HORSENT LEFE TO  | Coation Chinatia | Maria da esta de la lación | MARK CONSISTENCE OF  |
|          |  | 6,67     | 0.0220   | 50.00/           | 0.417                      | 12.00200/  |
| 2        | Author M. Stilwell / PO Box 314 / Raven, VA 24639  | 1/8      | 0.8338   | 50.0%            |                            | 13.8830%   |
| 2        | Linda S. Shelton / PO Box 521 / Pounding Mill, VA 24637  | 1/72     | 0.0926   | 50.0%            |                            | 1.5426%  |
| 2        | Jerine Davis / 118 Coronado Road / North Tazewell, VA 24630  | 1/72     | 0,0926   | 50.0%            |                            | 1.5426%  |
| 2        | Daniel J. Osborne / 100 Third Street, SW No D77 / Mandan, ND 58554   | 1/72     | 0.0926   | 50.0%            |                            | 1.5426%  |
| 2        | Lois Casey / PO Box 521 / Pounding Mill, VA 24637  | 1/72     | 0.0926   | 50.0%            |                            | 1.5426%  |
| 2        | Quentin A. Stilwell / PO Box 154 / Rhame, ND 58651   | 1/72     | 0.0926   | 50.0%            | 0.046                      | 1.5426%  |
| - Colomb |  |          | 57   |                  | i iti sati ut              |  |
|          | AcGuire Land Trust   | 1.15     | 0.1342   | 50.0%            |                            | 2.2340%  |
|          | Hurt McGuire Land Trust C/o Charles Green / PO Box 1067 / Bluefield, VA 24605  |          |  |                  |                            |  |
| 排出研解     | Dispersion of the second of th |          | s is in the same of the same o |                  | Les guardes de la          | -1412 Hills 1111   |
| Linko    | us Horn Heirs - Oil & Gas  | 1.15     |  |                  |                            |  |
| 3        | Nellie Maynard / PO Box 296 / Raven VA 24639   | 1/180    | 0.0064   | 50.0%            | 0.003                      | 0.1064%  |
| 3        | Danny Elder / PO Box 296 / Raven VA 24639  | 1/180    | 0.0064   | 50.0%            | 0.003                      | 0.1064%  |
| 3        | Robert Elder / PO Box 65 / Raven VA 24639  | 1/180    | 0.0064   | 50.0%            | 0.003                      | 0.1064%  |
| 3        | Joseph P. Horne / 492 Gray Branch Road / Cedar Bluff, VA 24639   | 1/10     | 0.1150   | 50.0%            | 0.058                      | 1.9149%  |
|          |  |          |  |                  |                            |  |
|          | Production in the process of the pro |          |  |                  |                            | The part of the pa |

### 6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, <u>and</u>, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

### 7. Conclusion:

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

### 8. Appeals:

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

| DONE AND EXECUTED this 26 day of | , 2009 by a majority of the Virginia Gas and Oil Board |
|----------------------------------|--|
|----------------------------------|--|

DONE AND PERFORMED this 20 day of 1, 2009 by an Order of this Board.

Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON

Acknowledged on this day of da

My commission expires: 09 / 30 / 2009 Notary I

Notary Public #174394

David E. Asbury Jr.,

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL **DOCKET NO: VGOB 98-0915-0681-03** 

RELIEF SOUGHT: (1) DISBURSEMENT FROM

ESCROW REGARDING a portion of TRACT(S) 2 & 3

**HEARING DATE: April 21, 2009** 

(2) AND AUTHORIZATION FOR DIRECT

PAYMENT OF ROYALTIES

**DRILLING UNIT: S-35** 

**BUCHANAN COUNTY, VIRGINIA** 

### MISCELLANEOUS PETITION

- Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, WV 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, SWARTZ LAW OFFICES, PLLC., 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.
- Relief sought: (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to a portion of Tract(s) 2 & 3 as depicted upon the annexed Exhibit A; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Hurt McGuire Land Trust and Arthur M. Stilwell, Linda S. Shelton, Jerline Davis, Daniel J. Osborne, Lois Casey and Quentin A. Stilwell; Hurt McGuire Land Trust and Nellie Maynard, Danny W. Elder, Robert G. Elder and Joseph P. Horne.
- Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.
  - 4. Type of well(s): Coalbed methane.
- Factual basis for relief requested: Hurt McGuire Land Trust and Arthur M. Stilwell, Linda S. Shelton, Jerline Davis, Daniel J. Osborne, Lois Casey and Quentin A. Stilwell; Hurt McGuire Land Trust and Nellie Maynard, Danny W. Elder, Robert G. Elder and Joseph P. Horne have entered into royalty split agreement(s), Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A, further, specifies how said royalties are to be divided and paid.
- 6. Attestation: The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC

BY ITS PROFESSIONAL MANAGER

CNX GAS COMPANY LLC, PETITIONER

Anita D. Duty

**Pooling Supervisor** 

CNX-Gas Company LLC

2481 John Nash Blvd.

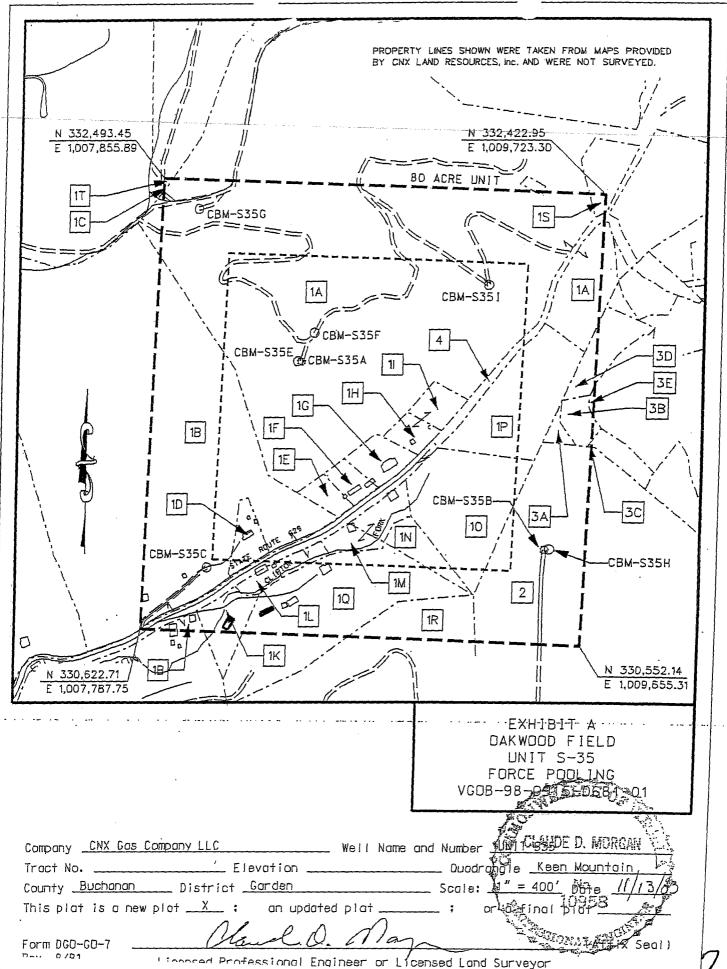
Bluefield, West Virginia 24701

### Exhibit A

## Tract-by-Tract Escrow Calculation Account Balances as of 2/28/06

### Unit S-35 VGOB 98-0915-0681-03 Acres Escrowed: 3.0028

| Owners                  | Tract# | Acres  | Total Tract Percent of Escrow | Fractional<br>Interest | Owners'<br>Percent of<br>Escrow (50%) | Amount<br>Due Owners<br>\$31,962.85 |
|-------------------------|--------|--------|-------------------------------|------------------------|---------------------------------------|-------------------------------------|
| Hurt McGuire Land Trust |        | 1.8528 |                               |                        | 30.8512%                              | \$9,860.92                          |
| Thomas Stilwell Heirs   | 2      | 6.67   | 61.7024%                      |                        | 30.8512%                              | \$9,860.92                          |
| Arthur M. Stilwell      |        | 0.8338 |                               | 1/8                    | 13.8829%                              | \$4,437.36                          |
| Linda S. Shelton        |        | 0.0926 |                               | 1/72                   | 1.5425%                               | \$493.04                            |
| Jerline Davis           |        | 0.0926 |                               | 1/72                   | 1.5425%                               | \$493.04                            |
| Daniel J. Osborne       |        | 0.0926 |                               | 1/72                   | 1.5425%                               | \$493.04                            |
| Lois Casey              |        | 0.0926 |                               | 1/72                   | 1.5425%                               | \$493.04                            |
| Quentin A. Stilwell     |        | 0.0926 |                               | 1/72                   | 1.5425%                               | \$493.04                            |
|                         |        |        |                               |                        |                                       |                                     |
| Hurt McGuire Land Trust |        |        |                               |                        | 19.1488%                              | \$6,120.50                          |
| Linkous Horn Heirs      | 3      | 1.15   | 38.2976%                      | [                      | 19.1488%                              | \$6,120.50                          |
| Nellie Maynard          |        | 0.0064 |                               | 1/180                  | 0.1064%                               | \$34.00                             |
| Danny Elder             |        | 0.0064 |                               | 1/180                  | 0.1064%                               | \$34.00                             |
| Robert Elder            |        | 0.0064 |                               | 1/180                  | 0.1064%                               | \$34.00                             |
| Joseph P. Horne         |        | 0.1150 |                               | 1/10                   | 1.9149%                               | \$612.05                            |



### CNX Gas Company LLC UNIT S-35

### Tract Identification

| 1.         | H. S. T. Group L.C. (1168.71 Acre Tract) – All Minerals Island Creek Coal Company/Consolidation Coal Company – Below Drainage Coal Leased Jewell Smokeless Coal Corporation – Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased 71.02 acres 88.7750% |
|------------|--|
| 1A.        | Betty Ferrell - Surface  |
| 1B.        | Consolidation Coal Company   |
| 1C.        | Jerry W. Keene, et al- Surface   |
| 1D.        | Consolidation Coal Company - Surface   |
| 1E.        | Starling Osborne, et ux – Surface  |
| 1F.        | Barbara A. Osborne - Surface   |
| 1G.        | Ray Horn – Surface   |
| 1H.        | Troy Horn, et ux – Surface   |
| 11.        | Troy Horn, et ux – Surface   |
| 1J.        | Commonwealth of Virginia - Surface   |
| 1K.        | Consolidation Coal Company – Surface   |
| 1L.        | Silva V. Clifton, et vir - Surface   |
| 1M.        | Consolidation Coal Company – Surface   |
| 1N.        | Timmy D. Compton – Surface   |
| 10.        | Billy I. Hylton – Surface  |
| 1P.        | Bascom Clifton - Surface   |
| 1Q.        | Naomi Clifton, et al – Surface   |
| 1R.<br>1S. | CNX Gas Company LLC - Surface<br>Kenneth Byrd - Surface  |
| 13.<br>1T. | Ruth Culbertson, et al – Surface   |
| 11.        | Kuui Cuideisoii, et ai - Suitace   |
| 2.         | Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal  |
|            | Consolidation Coal Company – Below Drainage Coal Leased  |
|            | A.T. Massey – Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased  |
|            | Thomas Stillwell Heirs – Surface and All Minerals except Coal  |
|            | CNX Gas Company LLC – Oil, Gas and CBM Leased (71/72)  |
|            | 6.67 acres 8.3375%   |
|            | 01001070   |

### CNX Gas Company LLC UNIT S-35

### Tract Identification

| 3. | Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal |  |  |  |  |
|----|---|--|--|--|--|
|    | Consolidation Coal Company - Below Drainage Coal Leased               |  |  |  |  |
|    | A.T. Massey - Above Drainage Coal Leased                              |  |  |  |  |
|    | CNX Gas Company LLC - CBM Leased                                      |  |  |  |  |
|    | Linkous Horn Heirs – All minerals except Coal                         |  |  |  |  |
|    | CNX Gas Company LLC - Oil, Gas and CBM Leased (10%)                   |  |  |  |  |
|    | 1.15 acres 1.4375%  |  |  |  |  |
|    |   |  |  |  |  |

| 3A. | Eddie Justice - Surface      |
|-----|------------------------------|
| 3B. | Noah Keen, et ux-Surface     |
| 3C. | Robert Trent - Surface       |
| 3D. | Noah Keen, et al – Surface   |
| 3E. | John David Osborne - Surface |

4. H. S. T. Group L.C. (1168.71 Acre Tract) – All Minerals
Island Creek Coal Company/Consolidation Coal Company – Below Drainage Coal Leased
Jewell Smokeless Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Commonwealth of Virginia – Surface
1.16 acres 1.4500%

### Exhibit E Unit S-35 Docket # VGOB 98-0915-0681-03

### List of Conflicting Owners/Claimants that require escrow

|   |                                    |                    | Division of Interest in  |  |  |
|---|------------------------------------|--------------------|--|--|--|
|   | Acres in Unit                      | Percent of<br>Unit | 5-Right<br>15.69343%   | 6-Right<br>10.34483%                                 |  |
| Tract #2, 6.67 acres  |                                    |                    | ero como estado como estado de como de | Mitting similar side was arrived processing to a gap |  |
| COAL FEE OWNERSHIP  |                                    |                    |  |  |  |
| (1) Hurt McGuire Land Trust<br>c/o Charles Green<br>P.O. Box 1067<br>Bluefield, VA 24605                                  | 6.67 acres                         | 8.3375%            | 1.30844%   | 0.86250%   |  |
| OIL & GAS FEE OWNERSHIP   |                                    |                    |  |  |  |
| (1) Thomas Stilwell Heirs, Devisees,<br>Successors or Assigns   | 6.67 acres                         | 8.3375%            | 1.30844%   | 0.86250%   |  |
| (I) Sylvia A. Shelton<br>549 Jacks Creek Road<br>Raven, VA 24639  | 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%            | 0.01817%   | 0.01198%   |  |
| (o) Cora Arnold Heirs, Devisees,<br>Successors or Assigns   |                                    |                    |  |  |  |
| (o.1) James H. Arnold, widower<br>P. O. Box 626<br>Raven, VA 24637  | 0.2779 acres<br>1/24 of 6,67 acres | 0.3474%            | 0.05452%   | 0.03594%   |  |
| (s) Theodore Stilwell<br>HC66 Box 112A<br>Whitewood, VA 24657   | 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%            | 0.01817%   | 0.01198%   |  |
| (t) Curtis Stilwell<br>P.O. Box 908<br>Pounding Mill, VA 24637  | 0.0926 acres<br>1/72 of 6,67 acres | 0.1158%            | 0.01817%   | 0.01198%   |  |
| ract #3, 1.15 acres   | ,                                  |                    |  | P  |  |
| COAL FEE OWNERSHIP  |                                    |                    |  |  |  |
| <ul><li>(1) Hurt McGuire Land Trust</li><li>c/o Charles Green</li><li>P.O. Box 1067</li><li>Bluefield, VA 24605</li></ul> | 1.15 acres                         | 1.4375%            | 0.22559%   | 0.14871%   |  |
| OIL & GAS FEE OWNERSHIP   |                                    |                    |  |  |  |
| Linkous Horn Heirs, Devisees<br>Successors or Assigns   | 1.15 acres                         | 1.4375%            | 0.22559%   | 0.14871%   |  |
| (1) Arizona Osborne Heirs, Devisees,<br>Successors or Assigns   |                                    |                    |  |  |  |
| (a) Sydney Smith<br>1911 McVetty Road<br>Salem, VA 24153  | 0.0383 acres<br>1/30 of 1.15 acres | 0.0479%            | 0.00752%   | 0.00496%   |  |
| (b) Kenneth R. Osborne<br>848 Peyton Street<br>Roenoke, VA 24019  | 0.0383 acres<br>1/30 of 1.15 acres | 0.0479%            | 0.00752%   | 0.00496%   |  |
|   | Page 1 of 4                        |                    |  | 3/25/2009  |  |

### Exhibit E Unit S-35

### Docket # VGOB 98-0915-0681-03

### List of Conflicting Owners/Claimants that require escrow

|       |   |                     |                       | Division of Ir       |                      |
|-------|---|---------------------|-----------------------|----------------------|----------------------|
|       |   | Acres in Unit       | Percent of<br>Unit    | 5-Right<br>15.69343% | 6-Right<br>10.34483% |
| (c)   | Martha Guilliams                        | 0.0383 acres        | 0.0479%               | 0.00752%             | 0.004969             |
| 10)   | 1911 McVetty Road                       | 1/30 of 1.15 acres  | 0.0-17-070            | 0.0070270            | 0.004007             |
|       | Salem, VA 24153                         | 1,00 01 1.10 00/03  |                       |                      |                      |
|       | Oaloni, VY 24100                        |                     |                       |                      |                      |
| (2)   | Lydia Bell Blankenship Heirs, Devisees, |                     |                       |                      |                      |
|       | Successors or Assigns                   |                     |                       |                      |                      |
| (a)   | Noah & Mary Jane Keen                   | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.001359             |
| (4)   | Rt. 1, Box 154                          | 1/110 of 1.15 acres | 0.010170              | 0.0020070            | 0.00100              |
|       | Raven, VA 24639                         | ITTO OF 1.13 acres  |                       |                      |                      |
|       | Naveri, VA 24009                        |                     |                       |                      |                      |
| (b)   | Shirley Keen                            | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.001359             |
| ` '   | Rt.1 Box 159R                           | 1/110 of 1.15 acres |                       |                      |                      |
|       | Raven, VA 24639                         |                     |                       |                      |                      |
| /-×   | Datas O Obala Massa                     | 0.0405              | 2 242404              |                      |                      |
| (c)   | Patsy & Clyde Moore                     | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.001359             |
|       | Rt. 1, Box 138                          | 1/110 of 1.15 acres |                       |                      |                      |
|       | Raven, VA 24639                         |                     |                       |                      |                      |
| (d)   | Brenda Sue & Eddie Justice              | 0.0105 acres        | 0,0131%               | 0.00205%             | 0.001359             |
|       | P. O. Box 627                           | 1/110 of 1.15 acres | 2,0.0.,0              | 0.5025070            | 0.001007             |
|       | Keen Mountain, VA 24624                 |                     |                       |                      |                      |
| (a)   | lamas B. Oahama                         | 0.0405              | 0.040404              |                      |                      |
|       | James R. Osborne                        | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.001359             |
|       | P. O. Box 484                           | 1/110 of 1.15 acres |                       |                      |                      |
|       | Keen Mountain, VA 24624                 |                     |                       |                      |                      |
| (f)   | Clifford Osborne Heirs, Devisees,       |                     |                       |                      |                      |
| -     | Successors or Assigns                   |                     |                       |                      |                      |
|       | (f.1) Phyllis W. Osborne                | 0.0105              | 0.04048/              | 0.0000000            | 0.004050             |
|       | Rt.1 Box 157E                           | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.00135%             |
|       |   | 1/110 of 1.15 acres |                       | •                    |                      |
|       | Raven, VA 24639                         |                     |                       |                      |                      |
| (g)   | Ronnie & Sherry Osborne                 | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.00135%             |
|       | P. O. Box 12                            | 1/110 of 1.15 acres |                       |                      | 0,00,00,             |
|       | Oakwood, VA 24631                       |                     |                       |                      |                      |
| /L.\  | Ob at a M. Oak                          |                     |                       |                      |                      |
|       | Charles M. Osborne                      | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.00135%             |
|       | 216 Plantation Drive                    | 1/110 of 1.15 acres |                       |                      |                      |
|       | Richlands, VA 24641                     |                     |                       |                      |                      |
| (i)   | Richard & Debbie Osborne                | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.00135%             |
|       | P. O. Box 541                           | 1/110 of 1.15 acres | 0.010170              | 0.0020370            | 0.0013376            |
|       | Keen Mountain, VA 24624                 | 17110 01 1.10 00,03 |                       |                      |                      |
| /:× · | Madis O-1                               |                     |                       |                      |                      |
|       | William Osborne Heirs, Devisees,        |                     |                       |                      |                      |
| ,     | Successors or Assigns                   |                     |                       |                      |                      |
|       | (j.1) Ruth Keen                         | (De                 | ed of Gift to Joyce L | ineberry 3/16/03     | ")                   |
|       | (j.1.1) Joyce Lineberry Mae             | 0.0105 acres        | 0.0131%               | 0.00205%             | 0.0049504            |
|       | PO Box 172                              | 1/110 of 1.15 acres | 0.010170              | 0.0020070            | 0.00135%             |
|       | Cooleemee, NC 27014                     | 17 17 OF 1.10 dG185 |                       |                      |                      |
|       |   |                     |                       |                      |                      |
|       | John David Osborne Heirs, Devisees,     |                     |                       |                      |                      |
| ;     | Successors or Assigns                   |                     |                       |                      |                      |
|       |   |                     |                       |                      |                      |

Page 2 of 4

3/25/2009

### Exhibit E Unit S-35

### Docket # VGOB 98-0915-0681-03 List of Conflicting Owners/Claimants that require escrow

|      |   | Acres in Unit                       | Percent of<br>Unit | Division of Ir<br>5-Right<br>15.69343% | nterest in<br>6-Right<br>10.34483% |
|------|---|-------------------------------------|--------------------|--|------------------------------------|
|      | (k.1) Darlene B. Osborne<br>Rt.1 Box 157<br>Raven, VA 24639                                 | 0.0105 acres<br>1/110 of 1.15 acres | 0.0131%            | 0.00205%                               | 0.00135%                           |
| (3)  | Henry Horn Heirs, Devisees,<br>Successors or Assigns  |                                     |                    |  |                                    |
| (a   | ) Perry W. Horn<br>P.O. Box 33<br>Raven, VA 24639   | 0.0383 acres<br>1/30 of 1.15 acres  | 0.0479%            | 0.00752%                               | 0.00496%                           |
| d)   | ) Larry M. Horn Heirs, Devisees,<br>Successors or Assigns<br><i>Heirs / Address Unknown</i> | 0.0383 acres<br>1/30 of 1.15 acres  | 0.0479%            | 0.00752%                               | 0.00496%                           |
| (0   | ) Ivory Horn Heirs, Devisees,<br>Successors or Assigns                                      |                                     |                    |  |                                    |
|      | (c.1) Patricia D. Horton<br>P.O. Box 65<br>Raven, VA 24639                                  | 0.0064 acres<br>1/180 of 1.15 acres | 0.0080%            | 0.00125%                               | 0.00083%                           |
|      | (c.3) Tammy D. Boyd<br>195 Taylor Circle<br>Raven, VA 24639                                 | 0.0064 acres<br>1/180 of 1.15 acres | 0.0080%            | 0.00125%                               | 0.00083%                           |
|      | (c.4) Margaret E. Dye<br>784 Big Creek Road<br>Richlands, VA 24641                          | 0.0064 acres<br>1/180 of 1.15 acres | 0.0080%            | 0.00125%                               | 0.00083%                           |
| (4)  | Thelma H. Osborne<br>P. O. Box 33<br>Raven, VA 24639  | 0.1150 acres<br>1/10 of 1.15 acres  | 0.1438%            | 0.02256%                               | 0.01487%                           |
| (6)  | Nancy Ann Horn Stilwell<br>Rt. 4, Box 722<br>North Tazewell, VA 24630                       | 0.1150 acres<br>1/10 of 1.15 acres  | 0.1438%            | 0.02256%                               | 0.01487%                           |
| (7)  | Earnest Horn Heirs, Devisees,<br>Successors or Assigns                                      |                                     |                    | •                                      |                                    |
| (a)  | Dorothy Horn<br>305 Bane Bottom Avenue<br>Cedar Bluff, VA 24609                             | 0.1150 acres<br>1/10 of 1.15 acres  | 0.1438%            | 0.02256%                               | 0.01487%                           |
| (8)  | Martha Smith<br>P. O. Box 395<br>Max Meadows, VA 24360                                      | 0.1150 acres<br>1/10 of 1.15 acres  | 0.1438%            | 0.02256%                               | 0.01487%                           |
| (9)  | Sarah Horn Day<br>P. O. Box 208<br>Peterstown, WV 24963                                     | 0.1150 acres<br>1/10 of 1.15 acres  | O.1438%            | 0.02256%                               | 0.01487%                           |
| (10) | Carl Horn Heirs, Devisees,<br>Successors or Assigns   |                                     |                    |  |                                    |

# Exhibit E

### Unit S-35

### Docket # VGOB 98-0915-0681-03 List of Conflicting Owners/Claimants that require escrow

|                         |                    |                    | Division of Ir       | iterest in           |  |
|-------------------------|--------------------|--------------------|----------------------|----------------------|--|
|                         | Acres in Unit      | Percent of<br>Unit | 5-Rìght<br>15.69343% | 6-Right<br>10.34483% |  |
| (a) Marilyn Taylor      | 0.1150 acres       | 0.1438%            | 0.02256%             | 0.01487%             |  |
| RR1 Box 1445            | 1/10 of 1.15 acres |                    |                      |                      |  |
| Pounding Mill. VA 24637 |                    |                    |                      |                      |  |

### Exhibit EE Unit S-35

### Docket # VGOB 98-0915-0681-03 List of Conflicting Owners/Claimants with Royalty Split Agreements

|                      |  | Acr  | es in Unit  | Interest in<br>Unit  | Percent of<br>Escrow |
|----------------------|--|--|---|--|----------------------|
| H2 66.               | 7.00700  | and the same and t | and a transfer species and in Apparature of | The first and th |                      |
| <del>42, 0.0</del> / | 7 acres  |  |   |  |                      |
| COAL                 | FEE OWNERSHIP  |  |   |  |                      |
| (1)                  | Hurt McGuire Land Trust<br>c/o Charles Green<br>P.O. Box 1067<br>Bluefield, VA 24605 | 6.67   | acres   | 8.3375%  |                      |
| OIL &                | GAS FEE OWNERSHIP  |  |   |  |                      |
| (1)                  | Thomas Stilwell Heirs, Devisees,<br>Successors or Assigns                            | 6.67   | acres   | 8.3375%  |                      |
| (a)                  | Beulah V. Osborne<br>HC 62, Box 109<br>Raven, VA 24639                               | 0.8338<br>1/8  | acres<br>of 6.67 acres  | 1.0422%  | n/a                  |
| (b)                  | Martha J. Stilwell<br>P.O. Box 54<br>Raven, VA 24639                                 | 0.8338<br>1/8  | acres<br>of 6.67 acres  | 1.0422%  | n/a                  |
| (c)                  | Virginia N. Stilwell<br>HC 62, Box 97<br>Raven, VA 24639                             | 0.8338<br>1/8  | acres<br>of 6.67 acres  | 1.0422%  | n/a                  |
| (d)                  | Arthur M. Stilwell<br>P.O. Box 314<br>Raven, VA 24639                                | 0.8338<br>1/8  | acres<br>of 6.67 acres  | 1.0422%  | 13.8829              |
| (e)                  | Exie Osborne Heirs, Devisees,<br>Successors or Assigns                               |  |   |  |                      |
|                      | (e.1) Myrtle Smith Heirs, Devisees,<br>Successors or Assigns                         |  |   |  |                      |
|                      | (e.1.1) Nancy Jackson<br>P.O. Box 448<br>Doran, VA 24612                             | 0.0695<br>1/96   | acres<br>of 6.67 acres  | 0.0868%  | n/a                  |
|                      | (e.1.2) Darlene Ward<br>117 Franklin Avenue<br>Richlands, VA 24641                   | 0.0695<br>1/96   | acres<br>of 6.67 acres  | 0.0868%  | n/a                  |
|                      | (e.2) Maxie Boyd<br>P.O. Box 972<br>Raven, VA 24639                                  | 0.1390<br>1/48   | acres<br>of 6.67 acres  | 0.1737%  | n/a                  |
|                      | (e.3) Ruth Osborne Smith<br>P.O. Box 672<br>Doran, VA 24612                          | 0.1390<br>1/48   | acres<br>of 6.67 acres  | 0.1737%  | n/a                  |
|                      | (e.4) Judy Blankenship<br>Box 221<br>Doran, VA 24612                                 | 0.1390<br>1/48   | acres<br>of 6.67 acres  | 0.1737%  | n/a                  |

### Exhibit EE Unit S-35

### Docket # VGOB 98-0915-0681-03

### List of Conflicting Owners/Claimants with Royalty Split Agreements

| Acres in Unit                      | Interest in<br>Unit  | Percent of<br>Escrow   |
|------------------------------------|--|--|
| 0.1390 acres<br>1/48 of 6.67 acres | 0.1737%  | n/a  |
| 0.1390 acres<br>1/48 of 6.67 acres | 0.1737%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | 1.5425%  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | 1.5425%  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | 1.5425%  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | 1.5425%  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
|                                    |  |  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
| 0.0926 acres<br>1/72 of 6.67 acres | 0.1158%  | n/a  |
|                                    | 0.1390 acres 1/48 of 6.67 acres  0.1390 acres 1/48 of 6.67 acres  0.0926 acres 1/72 of 6.67 acres | Acres in Unit         Unit           0.1390 acres<br>1/48 of 6.67 acres         0.1737%           0.1390 acres<br>1/48 of 6.67 acres         0.1737%           0.0926 acres<br>1/72 of 6.67 acres         0.1158%           0.0926 acres<br>1/72 of 6.67 acres         0.1158% |

### Exhibit EE Unit S-35

### Docket # VGOB 98-0915-0681-03

### List of Conflicting Owners/Claimants with Royalty Split Agreements

|   | Acres in Unit                       | Interest in<br>Unit | Percent of<br>Escrow |
|---|-------------------------------------|---------------------|----------------------|
| (r) Bessie Lowe<br>P. O. Box 47<br>Shortt Gap, VA 24647   | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| (u) Bernadine R. Lisburg<br>1418 First Avenue South<br>Fargo, ND 58103  | 0.2779 acres<br>1/24 of 6.67 acres  | 0.3474%             | n/a                  |
| (v) Gladys E. Pollert<br>1121 29 Street NW<br>Fargo, ND 58102   | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| (w) David W. Stilwell<br>244 Texas Street, Apt #214<br>Rapid City, SD 57701   | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| (x) Thomas H. Stilwell<br>27 Horseshoe Bend<br>Fargo, ND 58104  | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| (y) Quentin A. Stilwell<br>P. O. Box 154<br>Rhame, ND 58651   | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | 1.5425%              |
| (z) Daniel J. Stilwell<br>100 Third Street SW No.D77<br>Mandan, ND 58554  | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| (aa) Bernice R. Lamb<br>2225 Second Avenue West<br>International Falls, MN 56649  | 0.0926 acres<br>1/72 of 6.67 acres  | 0.1158%             | n/a                  |
| Tract #3, 1.15 acres  |                                     |                     |                      |
| COAL FEE OWNERSHIP  |                                     |                     |                      |
| <ul><li>(1) Hurt McGuire Land Trust</li><li>c/o Charles Green</li><li>P.O. Box 1067</li><li>Bluefield, VA 24605</li></ul> | 1.15 acres                          | 1.4375%             |                      |
| OIL & GAS FEE OWNERSHIP   |                                     |                     |                      |
| Linkous Horn Heirs, Devisees<br>Successors or Assigns   | 1.15 acres                          | 1.4375%             |                      |
| (c) Ivory Horn Heirs, Devisees,<br>Successors or Assigns  |                                     |                     |                      |
| (c.2) Nellie A. Maynard<br>P.O. Box 296<br>Raven, VA 24639  | 0.0064 acres<br>1/180 of 1.15 acres | 0.0080%             | 0.1064%              |
| (c.5) Danny W. Elder<br>P.O. Box 296<br>Raven, VA 24639   | 0.0064 acres<br>1/180 of 1.15 acres | 0.0080%             | 0.1064%              |

Page 3 of 4

# Exhibit EE Unit S-35 Docket # VGOB 98-0915-0681-03 List of Conflicting Owners/Claimants with Royalty Split Agreements

|  | Acres in Uni        | Interest in<br>it Unit | Percent of<br>Escrow |
|--|---------------------|------------------------|----------------------|
| (c.6) Robert G. E<br>P.O. Box 65<br>Raven, VA            |                     |                        | 0.1064%              |
| (5) Joseph P. Horne<br>492 Gray Branch<br>Cedar Rluff VA | Road 1/10 of 1.15 a | 0.1438%<br>acres       | 1.9149%              |

INSTRUMENT #090002349
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
AUGUST 4, 2009 AT 02:29PM

BEVERLY S. TILLER, CLERK RECORDED BY: NKE

INSTRUMENT #090003364
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 29, 2009 AT 01:33PM

BEVERLY S. TILLER, CLERK RECORDED BY: DA